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FYI...

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Strong Rules On Fracking In Wyoming Seen as Model

By KATE GALBRAITH
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In energy-friendly Wyoming, oil and gas companies are getting a clear message: Drill, baby, drill -- but carefully.

Last week, state regulators approved one of the nation's strongest requirements for testing water wells near drilling sites. The measure is intended to address concerns that groundwater can become contaminated from drilling activities.

It is the latest of several groundbreaking regulations related to energy production issued by Wyoming, which in 2010 became the first state to require disclosure of some of the chemicals used in the drilling process known as hydraulic fracturing, or fracking.

"I am not going to accept the question of do you want a clean environment or do you want energy," said Gov. Matthew H. Mead, a Republican who championed the water-testing regulation. "The fact is that in Wyoming, we want and need both."

Wyoming ranks about fourth among states in natural gas production and eighth in oil production, which has grown rapidly in recent years.

The new water rule, which takes effect in March, will require oil and gas companies to test wells or springs within a half-mile of their drilling site, both before and after drilling. The tests will measure a range of factors, including temperature, bacteria, dissolved gases like methane and propane, and roughly 20 chemical compounds and elements including barium, benzene, strontium and nitrates.

The rule comes after another measure that took effect this month requiring drilling companies to monitor for certain air pollutants at new oil and gas production sites, and fix any leaks. The requirement applies only to an area in western Wyoming that struggles to keep ozone in check.

In 2010, Wyoming joined Colorado as one of the first states to adopt tougher standards to reduce emissions while an oil and gas well is being drilled, said Jon Goldstein, a senior energy policy manager at the Environmental Defense Fund.

Mark A. Northam, director of the School of Energy Resources at the University of Wyoming, said that Wyoming was working to enhance public confidence in drilling. "They're stricter rules," he said, but the idea is to help the oil and gas industry operate smoothly, "rather than making it more difficult."

Environmental groups are pressing for more change. In a closely watched case, the Wyoming Supreme Court on Wednesday heard a case brought by several environmental groups that seeks to mandate the disclosure of all chemicals used in fracking. Companies are now allowed to withhold information from the public about certain chemicals, lest their competitors try to re-create their proprietary mix. The case is an appeal of a district court ruling against the environmentalists this year.

Timothy Preso, a lawyer who argued the case for the environmental groups, said he knew of no other such case in the nation, perhaps reflecting that Wyoming's chemical disclosure requirement for fracking predates similar rules in any other states.

The water testing rule reflects concern about fracking, which uses a blend of water, chemicals and sand to break up underground rock at high pressures to extract oil or gas. If the chemical-laced liquid escapes during part of the drilling process, critics say, it could pose a threat to nearby groundwater.

John Robitaille, vice president of the Petroleum Association of Wyoming, said that as long as rules about the construction and completion of a well were followed, "I do not believe there would be an instance of any kind of contamination due to a drilling operation."

The two largest oil-drilling states, Texas and North Dakota, do not have water-testing requirements. Colorado and Ohio have some requirements, and several states encourage drillers to conduct tests. Mr. Goldstein of the Environmental Defense Fund said that Wyoming's was the strongest water-testing rule yet.

"It's kind of a model for the country," he said.

Wyoming has a history of water contamination disputes. Years ago, landowners in a drilling area near the town of Pavillion complained of groundwater quality problems. The federal Environmental Protection Agency investigated and issued a draft report in 2011 indicating a "likely impact" of fracking on groundwater. An industry outcry ensued, and the E.P.A. never finished the study, instead handing it over to Wyoming officials for further work. That prompted more criticism, from environmentalists. Wyoming's study

is financed by the drilling company that worked in the area.

Wyoming expects to release two studies related to Pavillion in late December, with a final report scheduled for the end of September next year.

Governor Mead said he wanted to know what had happened in Pavillion, but he did not know of any instances in Wyoming in which fracking had contaminated groundwater. His goal, he said, was to "set the politics aside and let science lead the way on what we should do."

Mr. Robitaille of the petroleum association estimated that the new water testing requirement would cost roughly \$15,000 per oil and gas well. Even before the rule passed, he said, some companies were testing water before drilling. But his group is most worried about what happens if the postdrilling water tests show changes from the predrilling tests, even though Wyoming's rule states that drillers will not be presumed to be at fault for discrepancies.

"It is our concern that instantly the oil and gas operation would then be blamed, where it may be a natural occurrence," Mr. Robitaille said. For example, he said, nitrates can fluctuate with agricultural runoff, or a water well company could accidentally spill something down a well.

Governor Mead acknowledged that it "may be difficult to predict what exactly will happen" in individual cases, but "if there is an issue, that is what we want to know." The whole point, he said, is to avoid another episode like the one in Pavillion in which "everything's left in this limbo because there's no background, no baseline, to help us determine what is taking place."

Environmentalists hope Wyoming will now act on other drilling-related issues, like a reduction in flaring, or the burning off of excess gas, and greater distances between drilling rigs and homes and schools. Mr. Mead said he would continue to review issues including air quality, flaring and water.

"I want as robust an oil and gas industry as possible in Wyoming," he said, "and I think one of the ways we get there is to continually strive to make improvements."